

# MISSISSIPPI STATE BOARD OF DENTAL EXAMINERS



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July 27, 2004

Honorable Phil Bryant  
Auditor, State of Mississippi  
Woolfolk State Office Building  
Suite 801, 501 North West Street  
Post Office Box 956  
Jackson, Mississippi 39205-0956

## RE: FY 2003 Limited Internal Control and Compliance Review Management Report

Dear Mr. Bryant:

This letter is the Board's response to the above-referenced audit and is formatted according to "Attachment B" of the "Instructions for Responses/Corrective Action Plans."

### 1. Contractual Services Should Be Supported by a Written Agreement

#### Response

The agency does concur with this finding. These contractual services payments involved payments made to the Board's deputy examiners and measurement specialist for examination activities including, but not limited to, calibration, calibration and post-examination analyses, and grading. The Board's deputy examiners are all former Board members, and the measurement specialist utilized by the Board has been the same individual for several years. Through personal and telephone contacts, all individuals were made aware of the amounts each would be paid for their services well in advance of the provision of such services. Further, the amounts paid to these individuals were below that mandated by State law to require prior written agreements.

#### Corrective Action Plan

I am the contact person responsible for any corrective action, and corrective action has been taken for the remainder of FY 2004 and subsequent fiscal years. Written agreements will be on file for such services, and every effort will be made to ensure that all Board staff comply with this plan.

**2. A Written Policy on Compensatory Leave Should Be Developed**

**Response**

The agency does concur with this finding. All employees, during both their interview process and upon initial employment with the Board, are personally advised by the Board's Executive Director as to the Board's policies regarding the accrual and use of compensatory time. Furthermore, no compensatory time is accrued by any employee unless prior verbal approval has been obtained from the Executive Director.

**Corrective Action Plan**

I am the contact person responsible for any corrective action. A written policy regarding compensatory time is in the process of being developed and will be given to each employee upon his/her initial employment with the Board. Furthermore, this plan will be reiterated with all employees from time-to-time throughout the course of periodic staff meetings.

**3. Funds Should Be Deposited to the Clearing Account Promptly and Transfers to the State Treasury Should Be Timely**

**Response**

The agency does concur with this finding. For approximately 1½ years, the Board was without the services of a full-time, permanent Purchasing Agent II who handles all of the Board's accounting duties. Furthermore, for over one-half of FY 2003, the Board's Executive Director had to perform two jobs: that of Executive Director and Purchasing Agent II. During this time period, deposits were not made on as timely a basis as would be preferred by the Executive Director. It also should be noted that items tested occurred during an extremely hectic time period for the Board, inasmuch as we were conducting annual renewal, preparing for and administering a licensure re-take examination, compiling and submitting State-mandated budgets and the annual GAAP documentation, and suffering from a staffing shortage of two (2) of our seven (7) full-time, permanent positions, i.e., Purchasing Agent II and Licensing Investigator. Considering the entirety of FY 2003, the amount of collections handled and processed by the Board, and the relatively few instances of non-compliance, the Board feels that it has demonstrated a continuing effort to ensure that funds are deposited and transferred within State-mandated guidelines. Furthermore, once a full-time, permanent Purchasing Agent II was hired and sufficiently trained by the Executive Director to handle documenting and transferring funds to the State Treasury, the timetable for depositing and transferring funds greatly improved.

### **Corrective Action Plan**

I am the contact person responsible for any corrective action. The Board's Purchasing Agent II has been with the Board since January 2003 and is well-trained and versed as to how deposits and transfers of funds should be handled to ensure compliance with State mandates. Deposits are being made and transferred within the State-mandated guidelines.

#### **4. Major Medical Leave Should Be Used in Accordance with State Law**

##### **Response**

The agency does concur with this finding. It must be noted that these were minor, isolated incidents when considering the total amount of leave taken by all employees during FY 2003 and the accuracy of recording and processing that leave. Also, it should be noted that in each instance, the employees' leave was reduced, although not initially from the correct category.

##### **Corrective Action Plan**

I am the contact person responsible for any corrective action. I have taken action to correct this situation, and every effort will be made to ensure the proper recording of employee leave in compliance with State law.

#### **5. Payments to Vendors Should Be Remitted in Accordance with State Law**

The agency does concur with this finding. As previously discussed concerning the deposit and transfer of funds collected, the slowness of payments on the items tested occurred during this same very hectic time period and when the Board was without the services of a full-time, permanent Purchasing Agent II. Vendors utilized by the Board on a regular basis were personally contacted regarding the Board's critical staffing shortage and were assured that payments would be processed as quickly as possible. These vendors were extremely understanding of the Board's staffing situation and were quite accommodating with respect to receipt of payments. Once a full-time, permanent Purchasing Agent II was hired and sufficiently trained, vendor payments were made in accordance with State requirements. Furthermore, over the entirety of FY 2003, this was the only time period during which any vendors had to wait more than fifteen (15) to twenty (20) days for payment of invoices.

##### **Corrective Action Plan**

I am the contact person responsible for any corrective action. The Board's current full-time, permanent Purchasing Agent II, as noted previously, has been with the Board

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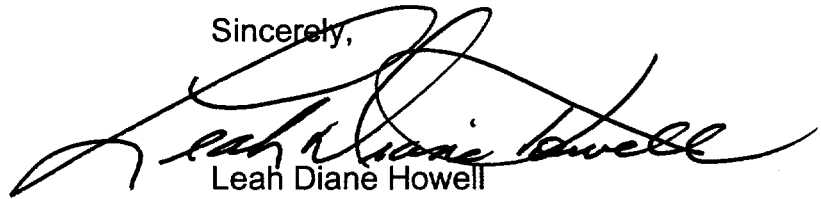
since January 2003 and is well-trained as to ensuring vendor payments are made on a timely basis. A timely and cost-effective method of processing purchase orders, payment vouchers, and vendor warrants is in place, and vendors are being paid within fifteen (15) to twenty (20) days from receipt of the invoice.

**6. Conclusion of Board Response**

The Board appreciates all the time and effort put forth in conducting this compliance audit. Your auditors were extremely conscientious and courteous and made every effort to conclude the audit in a timely and efficient manner. The Board suffered from a severe staffing shortage during over one-half of FY 2003, but once a full-time, permanent Purchasing Agent II was hired and sufficiently trained, a noticeable improvement was made in both the collection/transfer of funds and vendor payments. Accounting activities throughout FY 2004 and beyond provide a more accurate picture of how effectively and cost-efficiently this office operates when fully staffed.

If you have any questions or require clarification as to any of the items heretofore mentioned, please do not hesitate to contact me.

Sincerely,



Leah Diane Howell  
Executive Director

LDH/me